



**PRESS RELEASE**  
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**For Immediate Release**

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**MAN SENTENCED FOR HEALTH CARE FRAUD IN “OPERATION HARDGEAR”**

TAMPA - Federal authorities announced today that Ernest L. Sleeth of Dover, Florida was sentenced in federal court in Tampa for his role in a scheme to defraud the Medicare and Medicaid programs. He was sentenced to a prison term of thirty months, to be followed by two years of supervised release, and ordered to pay restitution of \$14,445,429 to the Centers for Medicare and Medicaid Services. The court also entered a \$14,845,208.78 order of forfeiture against the defendant.

In January 2002, Sleeth was charged by a federal grand jury sitting in Tampa in Case No. 8:02-cr-19-T-27EAJ in all counts of a 55-count indictment relating to a massive scheme to defraud the Medicare and Medicaid programs. The indictment alleged that Sleeth and others conspired and schemed to submit false, fictitious and fraudulent claims to the Medicare and Medicaid programs in connection with the sale of durable medical equipment (“DME”) such as motorized wheelchairs, alternating pressure mattresses, and related items. The charges against Sleeth related primarily to his role in the conspiracy as the accountant and bookkeeper for a group of companies commonly known as “Gold Star,”

which, according to the indictment, were run by Barry Douglas Haught, Ernest L. Sleeth, and others.

On December 23, 2002, Sleeth pleaded guilty to Count One of the indictment, which charged Sleeth, from in or about January 1995 through September 10, 1998, with conspiracy to commit Medicare and Medicaid fraud and to launder the proceeds therefrom, in violation of 18 U.S.C. § 371. Haught pleaded guilty in May 2002, and was sentenced on March 18, 2003 to a prison term of seven years, to be followed by three years of supervised release, and ordered to pay restitution of \$14,445,429.

On January 30, 2003, a federal jury in Tampa found Teresa Martinez – the only defendant in the case who did not plead guilty to the conspiracy – guilty of one count of conspiracy to commit Medicare and Medicaid fraud, in violation of 18 U.S.C. § 371, and four counts of submitting false claims to the Medicare and Medicaid programs, in violation of 18 U.S.C. § 287. In April of this year, Martinez was sentenced to a prison term of fifty-one months, to be followed by three years of supervised release, and ordered to pay restitution of \$2,579,069.

The investigation has also netted guilty pleas from Phillip Lipsey of Orlando, James Taylor of Georgia, Dennis E. Rodriguez of Odessa, John C. Merlino of Tampa, John S. Bidelsbach, D.P.M., of Palm Harbor, Fred D. Ford, Jr., of Tampa, Renee LaChance Hunter Livio of Spring Hill, Cherry E. Moody of Tampa, Christopher C. Stursberg of Wesley Chapel, and Thomas W. Nespeca of Tampa, along with DME companies DBB, Inc., G.S. Care Corp., Gold Star Healthcare, Inc., Med-Care Distributors, Inc., T-Tech Medical Services, Inc., Trans-Capital Investment Group, Inc., Nursery Road Villa, Duramed, Inc., Medmaster Services, Inc., and Gold Star Medical Services, Inc., and Fulcrum Services,

Inc., and Biotech Corporation, two companies that were created solely to facilitate other aspects of the fraudulent schemes.

The ongoing investigation leading to the pleas and convictions, dubbed "Operation Hardgear," is being conducted jointly by the Federal Bureau of Investigation, the Office of the Inspector General of the United States Department of Health and Human Services, the Medicaid Fraud Control Unit of the Florida Attorney General's Office, and the Internal Revenue Service. The case is being prosecuted by Assistant United States Attorneys Terry A. Zitek and Jay G. Trezevant.